

APPENDIX I

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold your ordinary shares in the Company, you should immediately forward this Appendix I and Proxy Form to the purchaser or to the stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made or opinions expressed or reports contained in this Appendix.

1. INTRODUCTION

On 10 April 2019, the Company obtained shareholders' approval at the Annual General Meeting of the Company ("2019 AGM") to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued shares in the capital of the Company (the "Shares") ("Share Purchase Mandate") on the terms of the Share Purchase Mandate which has taken effect from the date of the 2019 AGM until the date of the forthcoming AGM to be held on 26 June 2020 or until it is varied or revoked by an ordinary resolution of shareholders in the general meeting, if so varied or revoked prior to the forthcoming AGM ("2020 AGM").

Since the approval of the renewal of the Share Purchase Mandate at the 2019 AGM, the Company has not purchased or acquired any Shares under the Share Purchase Mandate. Accordingly, the Directors are proposing to seek the approval of shareholders at the 2020 AGM for the renewal of the Share Purchase Mandate.

2. DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

"Award"	:	A contingent award of Shares granted under the RSP and/or the PSP.
"CDP"	:	The Central Depository (Pte) Limited.
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore or as amended from time to time.
"Company"	:	Sunningdale Tech Ltd.
"Controlling Shareholder"	:	A person who: - (a) holds directly or indirectly fifteen per cent (15%) or more of the total number of issued shares excluding treasury shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (a) in fact exercises control over a company.
"Council"	:	The Securities Industry Council of Singapore.
"Directors"	:	The Directors of the Company for the time being.
"EPS"	:	Earnings per share.

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“FY 2019”	:	Financial year ended 31 December 2019.
“Latest Practicable Date”	:	19 March 2020 being the latest practicable date prior to the printing of this Annexure.
“Listing Manual”	:	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the vesting of Awards granted under the STL RSP and/or the STL PSP.
“NTA”	:	Net tangible assets of the Company.
“NTA per Share”	:	Net tangible assets of the Company divided by the number of issued Shares
“Regulations”	:	The Regulations of the Constitution.
“Securities Account”	:	Securities accounts maintained by Depositor with CDP, but not including securities sub-accounts maintained with a Depository Agent.
“SGX-ST” or “Singapore Exchange”	:	Singapore Exchange Securities Trading Limited.
“Shareholders”	:	Registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors whose Securities Account are credited with the Shares.
“Share Plans”	:	Sunningdale Restricted Share Plan 2014 or STL RSP and Sunningdale Performance Share Plan 2014 or STL PSP.
“Share Purchases”	:	The purchases or acquisitions of Shares pursuant to the Share Purchase Mandate.
“Shares”	:	Ordinary shares in the share capital of the Company.
“STL PSP”	:	Sunningdale Performance Share Plan 2014, as modified or altered from time to time.
“STL RSP”	:	Sunningdale Restricted Share Plan 2014, as modified or altered from time to time.
“STL” or the “Company”	:	Sunningdale Tech Ltd.
“STL Group” or the “Group”	:	The Company and its subsidiaries.
“Substantial Shareholder”	:	A person who holds, directly or indirectly, 5% or more of the total issued share capital of the Company.
“S\$”, “\$” or the “cents”	:	Singapore dollars and cents respectively.

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“Takeover Code” : The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time.

“%” or the “per cent” : Per centum or percentage.

The terms “Depositor”, “Depository Registry” and “Depository Agent” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Appendix between the listed amounts and the totals therefore are due to rounding.

3. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 Rationale for Share Purchase Mandate.

The renewal of the Share Purchase Mandate will provide the Company the flexibility to undertake share purchases, when and if the circumstances permit, subject to market conditions, during the period when the Share Purchase Mandate is in force. A Share Purchase at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

The rationale for the Company to undertake the purchase of its issued Shares is as follows:

- (a) In managing the business of the Group, management strives to increase Shareholders’ value by improving, inter alia, the return on equity of the Group. Share Purchases at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.
- (b) The Share Purchase Mandate is an expedient, effective and cost-efficient way for the Company to return surplus cash, which is in excess of the financial and possible investment needs of the Group to its Shareholders. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, inter alia, the Company’s share capital structure and its dividend policy.
- (c) Share repurchase programmes help buffer short-term share price volatility and off-set the effects of short-term speculators and investors and, in turn, bolster shareholder confidence and employee morale.
- (d) To the extent allowed by law, the Share Purchase Mandate may be used to purchase existing Shares to satisfy Awards granted under the Sunningdale Tech Restricted Share Plan and/or the Sunningdale Tech Performance Share Plan.

While the Share Purchase Mandate would authorise a purchase of Shares up to the 10% limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised and no purchase or acquisition of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or the Group.

The Share Purchase Mandate will also enable the Company to undertake purchases of Shares and to hold such purchased Shares in Treasury. Treasury shares may be used in the manner prescribed by the Companies Act. Details on the use of treasury shares are provided in paragraphs 3.4 below.

3.2 Authority and Limits on the Share Purchase Mandate.

The authority and limitations placed on the Share Purchase Mandate, if renewed at the 2020 AGM, are substantially the same as previously approved by the Shareholders at the previous AGMs. For the benefit of the Shareholders, the authority and limits on the Share Purchase Mandate are as follows:

3.2.1 Maximum Number of Shares

As at the Latest Practicable Date, the share capital of the Company comprises 191,941,836 issued Shares. The Company will only purchase or acquire Shares which are issued and fully paid-up. The total number of Shares which may be purchased or acquired pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of total issued Shares as at the date on which the Share Purchase Mandate is approved at the 2020 AGM. Any of the Shares held by the Company as Treasury shares shall be disregarded for purpose of computing the 10% limit.

Purely for illustrative purposes, on the basis of 191,941,836 Shares (excluding treasury shares) in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2020 AGM, not more than 19,194,183 Shares (representing 10% of the total issued Shares (excluding treasury shares) as at that date) may be purchased by the Company pursuant to the Share Purchase Mandate.

3.2.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the forthcoming AGM at which the renewal of the Share Purchase Mandate is approved up to:

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the Share Purchases have been carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in general meeting.

whichever is the earlier.

3.2.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the SGX-ST's trading system or any other securities exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**") through one or more duly licensed dealers appointed by the Company for the purpose; and/or

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- (b) off-market purchases (“**Off-Market Purchases**”), otherwise than on a securities exchange, effected pursuant to an equal access scheme or schemes for the purchase of Shares from the Shareholders in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. Under the Companies Act, an equal access scheme must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded: (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, (2) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid, and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Additionally, the Listing Manual provides that, in making an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances; and
- (iii) the information required under Rule 883(2), (3), (4), (5) and (6) of the Listing Manual.

3.2.4 Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses (“**Related Expenses**”)) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares must not exceed:

- (a) in the case of a Market Purchase, 105 per cent of the Average Closing Price of the Shares; and
 - (b) in the case of an Off-Market Purchase, 120 per cent of the Average Closing Price of the Shares,
- in either case, excluding Related Expenses of the purchase or acquisition (the “**Maximum Price**”).

For the above purposes:

“**Average Closing Price**” means the average of the last dealt prices of a Share for the five consecutive Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant five-day period; and

“**date of the making of the offer**” means the date on which the Company announces its intention to

make an offer for an Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis (excluding Related Expenses of the purchase or acquisition) for each Share) and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.3 Status of Purchased Shares.

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to the Share will expire on cancellation unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are not held as treasury shares.

3.4 Treasury Shares Held by the Company.

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares and the Company shall be entered in the Register of Members as the member holding those Shares.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to any employees' share option or award scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

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3.5 Source of Funds.

The Company will use its internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance the Company's purchase of acquisition of the Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially and adversely affected.

3.6 No Shares Purchased in the Previous 12 Months.

The Company did not purchase any Shares in the twelve (12) months preceding the Latest Practicable Date.

3.7 Financial Effects.

3.7.1 General

If the purchased Shares are cancelled, the issued share capital of the Company will be reduced by the corresponding total purchase price of the Shares purchased or acquired by the Company. If, on the other hand, the purchased Shares are not cancelled but held in treasury, then there will be no change in the Company's issued share capital. Where the consideration paid by the Company for the Share Purchase is out of profits, such consideration (excluding Related Expenses) will correspondingly reduce the amount available for the distribution of cash dividend by the Company. Where the consideration paid by the Company for the Share Purchase is out of capital, the amount available for the distribution of cash dividends will not be reduced.

The financial effects on the Company and the Group arising from Share Purchases will depend, inter alia, on the number of Shares purchased or acquired, the price paid for such Shares, the manner in which the purchase or acquisition is funded and whether the Shares are cancelled or held in treasury. It is, therefore, not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Purchase Mandate on the NTA and EPS.

The Directors do not propose to exercise the Share Purchase Mandate to the extent that the liquidity and capital adequacy position of the Group would be materially and adversely affected. The Directors will be prudent in exercising the Share Purchase Mandate only to such extent which the Directors believe will enhance shareholders' value giving consideration to the prevailing market conditions, the financial position of the Group and other relevant factors.

3.7.2 Number of Shares that may be Acquired or Purchased

Based on 191,941,836 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2020 AGM, not more than 19,194,183 Shares (representing 10% of the total issued Shares as at that date) may be purchased by the Company pursuant to the Share Purchase Mandate.

3.7.3 Maximum Price that may be paid for Shares Acquired or Purchased

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 19,194,183 Shares at the Maximum Price of \$0.9994 for each Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 19,064,683 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately \$19,183,000.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 19,194,183 Shares at the Maximum Price of \$1.1422 for each Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five consecutive Market

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Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 19,194,183 Shares excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately \$21,924,000.

3.7.4 Illustrative Financial Effects

For illustrative purposes only, on the basis of the assumptions set out in paragraphs 3.7.2 and 3.7.3 above, and assuming that the Share Purchases are financed entirely out of the Company's distributable profit, the financial effects of:

- (a) the purchase of 19,194,183 Shares by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Purchase Mandate and held as treasury shares; and
- (b) the purchase of 19,194,183 Shares by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Purchase Mandate and cancelled;

on the audited consolidated financial statements of the Company and the Group for FY2019 are set out below:

(a) Share Purchases made entirely out of capital and held as treasury shares

	Group			Company		
	Before Share Buyback	After Share Buyback assuming Market Purchase	After Share Buyback assuming Off- Market Purchase	Before Share Buyback	After Share Buyback assuming Market Purchase	After Share Buyback assuming Off- Market Purchase
(\$'000)						
Shareholders' fund	369,542	350,359	347,618	356,292	337,109	334,368
NTA ⁽¹⁾	356,860	337,677	334,936	356,292	337,109	334,368
Current assets	470,674	451,491	448,750	81,883	81,883	81,883
Current liabilities	272,971	272,971	272,971	103,424	103,424	103,424
Working capital	197,703	178,520	175,779	(21,541)	(21,541)	(21,541)
Total borrowings	104,368	104,368	104,368	37,695	56,878	59,619
Cash and short-term deposits	103,366	84,183	81,442	3,373	3,373	3,373
Number of Shares ⁽⁴⁾	191,941,836	191,941,836	191,941,836	191,941,836	191,941,836	191,941,836
Financial Ratios						
NTA per Share (\$)	1.86	1.76	1.74	1.86	1.76	1.74
EPS (cents)	4.16	4.16	4.16	19.86	19.86	19.86
Gearing ratio (times) ⁽²⁾	0.28	0.30	0.30	0.11	0.17	0.18
Current ratio (times) ⁽³⁾	1.72	1.65	1.64	0.79	0.79	0.79

Notes:

- (1) NTA equals shareholders' funds less intangible assets.
- (2) Gearing ratio equals total borrowings divided by shareholders' funds.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) Based on 191,941,836 Shares in issue as at the Latest Practicable Date.

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(b) Purchases made entirely out of capital and cancelled

(S\$'000)	Group			Company		
	Before Share Buyback	After Share Buyback assuming Market Purchase	After Share Buyback assuming Off- Market Purchase	Before Share Buyback	After Share Buyback assuming Market Purchase	After Share Buyback assuming Off- Market Purchase
Shareholders' fund	369,542	350,359	347,618	356,292	337,109	334,368
NTA ⁽¹⁾	356,860	337,677	334,936	356,292	337,109	334,368
Current assets	470,674	451,491	448,750	81,883	81,883	81,883
Current liabilities	272,971	272,971	272,971	103,424	103,424	103,424
Working capital	197,703	178,520	175,779	(21,541)	(21,541)	(21,541)
Total borrowings	104,368	104,368	104,368	37,695	56,878	56,619
Cash and short-term deposits	103,366	84,183	81,442	3,373	3,373	3,373
Number of Shares ⁽⁴⁾	191,941,836	172,747,653	172,747,653	191,941,836	172,747,653	172,747,653
Financial Ratios						
NTA per Share (S\$)	1.86	1.95	1.94	1.86	1.95	1.94
EPS (cents)	4.16	4.62	4.62	19.86	22.06	22.06
Gearing ratio (times) ⁽²⁾	0.28	0.30	0.30	0.11	0.17	0.18
Current ratio (times) ⁽³⁾	1.72	1.65	1.64	0.79	0.79	0.79

Notes:

- (1) NTA equals shareholders' funds less intangible assets.
- (2) Gearing ratio equals total borrowings divided by shareholders' funds.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) Based on 191,941,836 Shares in issue as at the Latest Practicable Date.

Shareholders should be aware that the financial effects set out above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the respective aforementioned assumptions, and historical FY2019 numbers, and are not necessarily representative of future financial performance. In addition, the actual impact will depend on the actual number and price of Shares to be acquired or purchased by the Company, the purchase prices paid at the relevant time, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares to be acquired or purchased are cancelled or held in treasury.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the total issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or holds all or part of the Shares repurchased in treasury.

The Company may take into account both financial and non-financial factors (for example, stock market condition and the performance of the Shares) in assessing the relative impact of a Share Purchase before execution.

3.8 Taxation.

Shareholders who are in doubt as to their respective tax provisions or any tax implications arising from the Share Purchase Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

3.9 Requirements in the Listing Manual.

- (a) The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.: (i) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was effected, and (ii) in the case of an Off-Market Purchase on an equal access scheme, on the second Market Day after the close of acceptances of the offer. The notification of such purchases or acquisitions to the SGX-ST shall be in such form, and shall include such details, as may be prescribed by the SGX-ST in the Listing Manual.
- (b) The Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time(s). However, as the Company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate in the following circumstances:
 - (i) at any time, any matter or development of a price-sensitive nature has occurred or has been the subject of a decision of the Board until the price-sensitive information has been publicly announced; and
 - (ii) in the case of all Purchases, during the period commencing one month immediately before the announcement of the Company’s full-year results and the period of two weeks immediately preceding the announcement of the Company’s results for each of the three quarters of the financial year.
- (c) The Listing Manual requires a company to ensure that at least 10% of equity securities (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed are held by public Shareholders. The “public”, as defined under the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, there are approximately **123,983,223** Shares in the hands of the public, representing approximately **64.59%** of the issued Shares. Accordingly, the Company is of the view that there is, at present, a sufficient number of Shares held by public Shareholders which would permit the Company to undertake purchases and acquisitions of its Shares up to the full 10% limit pursuant to the proposed Share Purchase Mandate, without adversely affecting the listing status of the Shares on the SGX-ST or cause market illiquidity or adversely affect the orderly trading of the shares.

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4. CERTAIN TAKE-OVER CODE IMPLICATIONS

4.1 Obligations to Make a Take-over Offer.

Any resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following any purchase or acquisition of Shares by the Company, will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("Rule 14"). Consequently, depending on the number of Shares purchased or acquired by the Company and the Company's total issued Shares at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make a take-over offer under Rule 14.

4.2 Persons Acting in Concert.

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, inter alia, be presumed to be acting in concert:

- (i) A company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the aforesaid companies, and any company whose associated companies include any of the aforesaid companies. For this purpose, a company is an associated company of another company if the second company owns or controls at least twenty per cent (20%) but not more than fifty per cent (50%) of the voting rights of the first-mentioned company;
- (ii) A company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (iii) A company with any of its pension funds and employee share schemes;
- (iv) A person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (v) A financial or other professional adviser (including a stockbroker), with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total ten per cent (10%) or more of the client's equity share capital;
- (vi) Directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) Partners;
- (viii) An individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions and companies controlled by any of the aforesaid persons; and
- (ix) Any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders of the Company (including Directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

4.3 Effect of Rule 14 and Appendix 2 of the Take-over Code.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code. In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent (30%) or more, or, if the voting rights of such Directors and their concert parties fall between thirty per cent (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the proposed Share Purchase Mandate.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant of proposed Share Purchase Mandate are advised to consult their professional advisers before they acquire any Shares in the Company during the period when the proposed Share Purchase Mandate is in force.

The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional adviser and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any purchase or acquisition of Shares by the Company.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the latest Practicable Date, the Directors are not aware of any Substantial Shareholders or Directors who would become obliged to make a general offer under Rule 14 and Appendix 2 of the Take-over Code in the event that the Company should, pursuant to the Share Purchase Mandate, purchase or acquire up to 10% of its issued shares.

APPENDIX I

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDER'S INTERESTS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of the Company, as at the Latest Practicable Date, the shareholdings of the Directors and of the Substantial Shareholders in the Company before and after the purchase of Shares pursuant to the proposed Share Purchase Mandate, assuming (i) the Company purchases the maximum amount of 10% of the issued ordinary share capital of the Company, and (ii) there is no change in the number of Shares held by the Directors and Substantial Shareholders or which they are deemed to be interested in, will be as follow:

Name of Director	Before Share Purchase (Number of Shares)			Before Share Purchase	After Share Purchase
	Direct Interest	Deemed Interest	Total Interest	% ⁽¹⁾	% ⁽²⁾
Koh Boon Hwee	29,947,401	22,008	29,969,409	15.61	17.35
Wong Chi Hung	1,440,936	–	1,440,936	0.75	0.83
Kaka Singh	79,254	–	79,254	0.04	0.05
Gabriel Teo Chen Thye	427,932	–	427,932	0.22	0.25
Ong Sim Ho	450,000	–	450,000	0.23	0.26
Khoo Boo Hor	4,217,882	–	4,217,882	2.20	2.44
Eileen Tay-Tan Bee Kiew	–	770,000	770,000	0.40	0.45
Name of Substantial Shareholders					
Koh Boon Hwee	29,947,401	22,008	29,969,409	15.61	17.35
Goi Seng Hui #	–	15,301,600	15,301,600	7.97	8.86
Yarwood Engineering & Trading Limited*	15,301,600	–	15,301,600	7.97	8.86

Goi Seng Hui is deemed to be interested in the 15,301,600 shares held by Citibank Nominees Singapore Pte. Ltd.

* Yarwood Engineering & Trading Limited ("Yarwood") is 100% owned by Kong Siang Group Holdings Pte Ltd ("KSGH"). Both David Lee Eng Thong & Lee Eng Khian who are directors and having controlling interests in KSGH, are deemed to be interested in the 15,301,600 shares held by Yarwood.

Note:

- (1) As a percentage of the total number of issued ordinary shares of the Company as at the Latest Practicable Date comprising 191,941,836 shares.
- (2) As a percentage of the total number of issued ordinary shares of the Company comprising 172,747,653 shares (assuming that the Company purchases the maximum number of shares under the Share Purchase Mandate and not held in treasury).

6. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 9, being the Ordinary Resolution relating to the Renewal of the Share Purchase Mandate.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any fact the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours on weekday (public holiday excepted) up to and including the date of the AGM:

The Constitution of the Company; and

The Annual Report of the Company for the financial year ended 31 December 2019.